



## Why You Should Buy This Exciting IPO Today

### Description

This year has seen some exciting debuts on the **S&P/TSX Composite Index**. These have included the first-ever Bitcoin exchange-traded fund that launched on the Canadian market — the **Purpose Bitcoin ETF**. There have also been exciting healthcare stocks like **Xebec Absorption** and **Kits Eyecare**. Today, I want to zero in on a recent IPO that debuted in an often-overlooked sector. Last year, I'd looked at [TSX stocks](#) like **AGT Food and Ingredients** and **SunOpta**. Should Canadians look to stash this new TSX stock? Let's dive in.

### A look at the agricultural space over the past year

When the pandemic first reached North American shores, there were concerns that it could negatively impact a broad array of sectors. Some warned that the pandemic could lead to food shortages if supply chains were disrupted. Fortunately, nations and provinces put these worries to rest early on. Food remained plentiful, but toilet paper flew off the shelves. Mob mentality is a curious thing.

The mass closure of restaurants forced Canadians to expand their own pantries in the early stages. Canadian farmers were able to have huge success during this crisis. Canadian farm income and the value of farms has grown to an all-time high, as we look to wrap up the winter of 2021.

Net cash income in the agricultural space is forecast to have grown by 21.8% in 2020. This is according to Agriculture and Agri-Food Canada. The average net operating income per farm increased by approximately 25.4%. That is why investors need to look hard at this new IPO.

### Why this IPO is an exciting prospect

**Farmer's Edge** ([TSX:FDGE](#)) debuted on the TSX index on March 3. The stock jumped 18% in its first day of trading on the top Canadian stock market. This company is a digital agriculture start up that develops data-driven technologies that help farmers run efficient operations while producing more food for a growing global population. Its shares were down 1.5% in late-morning trading on March 4.

A recent report from Juniper Research projected that the global agricultural technology sector was expected to surge to \$22.5 billion by 2025. This would represent an average annual growth rate of over 100% over five years. MarketsAndMarkets recently estimated that the smart agriculture market, which included precision farming and the development of cutting-edge hardware, would grow from \$13.8 billion in 2020 to \$22.0 billion by 2025. This would represent a CAGR of 9.8%.

Like many other labour-intensive sectors, farming is also moving towards more reliance on digitization and [automation](#). Farmer's Edge also offers exposure to artificial intelligence development, which it is utilizing to collect and analyze local weather, soil moisture, and satellite data to boost future crop yields.

## Should you buy Farmer's Edge today?

The TSX has boasted some lucrative IPOs for shareholders in recent decades. Some of the biggest success stories include **Shopify** and **Kinaxis**. Like these companies, Farmer's Edge is operating in the artificial intelligence space. This is a recipe for success going forward. Investors young and old should look to stash this promising stock and hold it for the long haul right now.

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